Government of Saskatchewan

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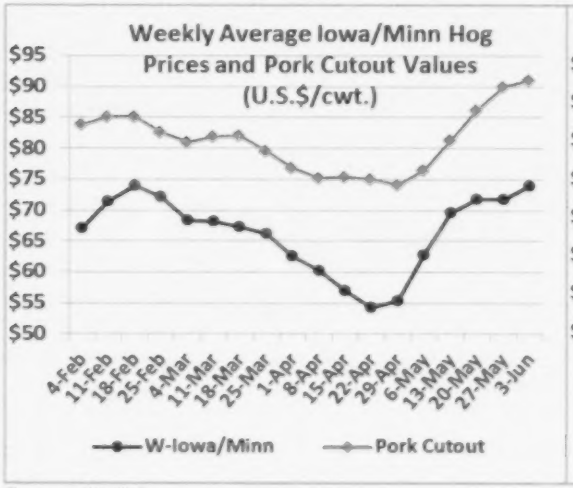
Weekly Hog Report

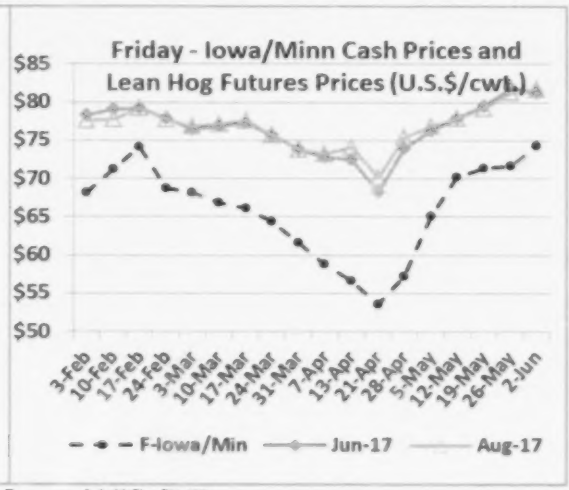
June 5, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were higher last week. Hog prices on Friday June 2 averaged US$74.29 per cwt, up US$2.62 per cwt or 3.7 per cent from US$71.67 per cwt the previous Friday. The negotiated weekly base price last week averaged US$73.97 per cwt, up US$2.30 per cwt or 3.2 per cent from US$71.67 per cwt the previous week. Slaughter weight cash hog prices were higher on continued seasonal strength and good packer margins on higher pork cutout values.



Source: LMIC



Source: LMIC, CME

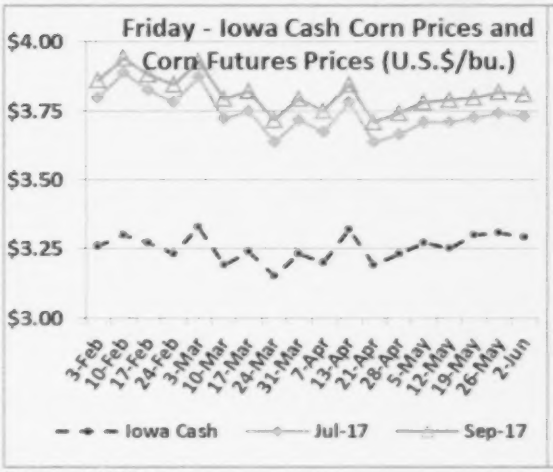
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday June 2, 2017 was $184.35 per ckg, up $3.56 per ckg or 2.0 per cent from $180.79 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $182.20 per ckg, up $2.66 per ckg or 1.5 per cent from the previous weeks' average price of $179.54 per ckg. The Canadian dollar moved lower to settle last Friday at 74.05 cents, down 0.26 cents from 74.31 cents the previous Friday.

Futures Markets

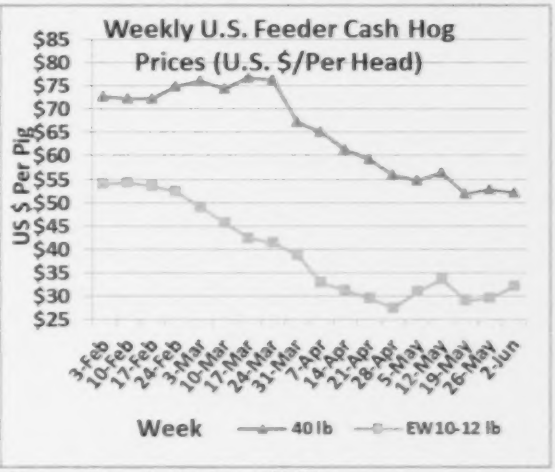
United States lean hog futures daily prices were mixed last week to end the week overall mixed but relatively unchanged, week-over-week. The nearby June lean hog futures contract declined US$0.600 per cwt last week to settle Friday at US$81.225 per cwt; while the August lean hog futures contract increased US$0.400 per cwt to settle last Friday at US$81.700 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$32.14 per head, up US$2.63 per head or 8.9 per cent from US$29.51 per head the previous week. Feeders (40lb) averaged US$52.06 per head, down US$0.80 per head or 1.5 per cent from US$52.86 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.29 per bushel, down two cents from US$3.31 per bushel the previous Friday. Corn futures were overall steady last week declining slightly, week-over-week. The July contract was down 1 ½ cents to settle Friday at US$3.72 ¾ per bushel, while the September contract declined one cent to settle Friday at 3.80 ¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the shorter U.S. holiday week ending June 3 were estimated at 1.972 million head, down 10.0 per cent from 2.192 million head the previous week, but up 4.0 per cent from 1.897 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.174 million head, up 4.0 per cent from 2.089 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter holiday week ending May 27, 2017 were estimated at 339,151 head, down 16.5 per cent from 406,311 head the previous week, and down 0.4 per cent from 340,542 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 392,917 head, up 1.1 per cent from 388,661 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 8,746,056 head, up 1.2 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending May 27, 2017 averaged 165,280 head, up 2.7 per cent from 160,919 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 3,614,314 head in 2017, up 2.4 per cent from the same period a year ago.

Meat Production

U.S. pork production for the shorter U.S. holiday week ending June 3, 2017 was estimated at 416.2 million lb., down 10.3 per cent from 464.2 million lb. the previous week, but up 3.1 per cent from 403.7 million lb. the same week a year ago. Pork production over the last four week's ending June 3 was estimated to average 458.7 million lb., up 3.3 per cent from 443.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending June 3 was estimated at 432.4 million lb., down 10.6 per cent from 483.9 million lb. the previous week, but up 1.2 per cent from 427.4 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 27, 2017, was estimated to average 2.100 billion lb., up 1.4 per cent from 2.071 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.0 per cent compared to the same period in 2016.

United States Weekly Meat Production

(May 27) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	466.5	479.2	2.7%	3.1%
Beef	480.4	485.0	1.0%	4.4%
Chicken	990.2	996.3	0.6%	0.5%
Turkey	134.0	139.3	3.9%	0.8%
Total	**2,071.1**	**2,099.8**	**1.38%**	**1.98%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending June 3, 2017 averaged US$90.99 per cwt, up US$1.10 per cwt or 1.2 per cent from US$89.89 per cwt the previous week, and up 6.3 per cent from US$85.57 per cwt from the same week a year ago.

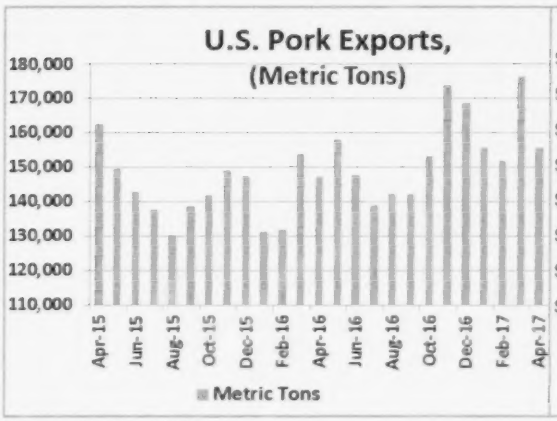
Choice beef cutout prices (600-900 lb.) for the week ending June 3, 2017 averaged US$245.44 per cwt, down US$0.84 per cwt or 0.3 per cent from US$246.28 per cwt the previous week, but up 10.4 per cent from US$222.40 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending June 3, 2017 averaged US$165.34 per cwt, up US$2.85 per cwt or 1.8 per cent from US$162.49 per cwt the previous week, and up 45.1 per cent from US$113.92 per cwt the same week a year ago.

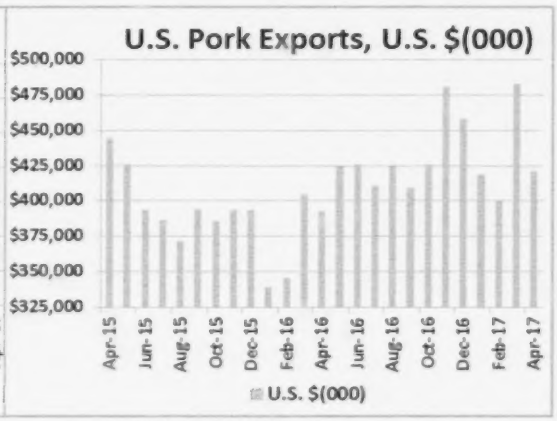
United States Pork Exports

United States pork exports for April 2017 were released last week. United States exported 155,788 metric tons of pork in April 2017, down 11.8 per cent from 176,567 metric tons in March 2017, but up 5.7 per cent from 147,364 metric tons in April 2016. U.S. pork exports by volume for April 2017 versus April 2016 were higher to Mexico (+9.8%) and South Korea (+26.3%); but lower to China/Hong Kong (-28.1%).

By dollar amount, U.S. pork exports in April 2017 were US$421.2 million dollars, down 12.8 per cent from US$483.4 million in March 2017, but up 7.2 per cent from US$393.1 million dollars in April 2016. Year-to-date, U.S pork exports were $1,723,568, up 16.3 per cent.



Source: USDA, USMEF



Source: USDA, USMEF

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